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# Press Release

## HARFORD COUNTY GOVERNMENT

### Office of County Executive

FOR IMMEDIATE RELEASE: September 17, 2013

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### County Executive Craig to Introduce Legislation for Rain Tax Repeal *Action Follows Months of Study*

(Bel Air, MD) - - Harford County Executive David R. Craig announced today that he will be introducing legislation in the County Council for a full repeal of the county's Stormwater Remediation Fee, also known as the 'Rain Tax.'

County Executive Craig made the announcement at Boyle Buick GMC Truck in Abingdon, a business which, like so many others, would be very negatively affected by this fee. Commenting on his proposed legislation, County Executive Craig remarked:

*"When we passed local legislation pursuant to the new state law requiring that certain counties charge a Stormwater Remediation Fee, better known as the 'Rain Tax,' we did so provisionally and in good faith in order to remain in compliance with the new law by the specified deadline to avoid the costly penalties that had been threatened. At the time we had, however, many serious questions regarding this state-required fee and the projects that it would fund.*

*"To date none of our questions have been adequately answered by the State of Maryland or the EPA. In fact if anything, there are even more questions. I am now of the opinion that the leadership in Annapolis is no longer in a position to follow through on the threatened penalties for noncompliance given the public backlash that their 'Rain Tax' mandate has rightly received.*

*"Therefore, on October 1 I will be introducing legislation to the County Council for a full repeal of Harford's local stormwater remediation fee. I have sent a letter to members of the County Council's Stormwater Fee Task Force asking that they consider recommending that the Council support my administration's legislation for a full repeal of the local stormwater remediation fee.*

*"I thank the County Council for their work on this issue, through which we provisionally passed a reduced fee and created a task force of citizens to study this state mandate. This period has allowed for the stormwater fee to be more adequately studied and has made it possible for us to undertake this repeal deliberately and in a responsible manner."*

( over )

Boyle Buick GMC Truck, where County Executive Craig made the announcement, is a family-owned local business that has been in operation for 45 years. It currently has 69 employees and weathered the recent economic downturn by maintaining a high level of customer satisfaction and customer loyalty, and by applying sound fiscal management and expense controls. Increasing pressures from government regulation and taxation, however, continue to hinder the long term growth of this and many other businesses around the state.

For the 2014 tax year Boyle's provisional stormwater fee was \$295, and at the full implementation level the fee would have been \$2,953. To illustrate the inconsistent way in which the fee has been implemented and how it affects business decisions, Boyle's fee would have been over \$12,000 if it was located in Baltimore City, \$7,300 in Baltimore County, and \$0 in Carroll and Cecil Counties. Cecil is not yet required by the state to charge a fee, but Carroll is required.

The Maryland Stormwater Fee or 'Rain Tax' was signed into law on May 2, 2012 by Governor Martin O'Malley, having passed the Maryland House of Delegates by a 91-45 vote and the State Senate by a 33-14 vote. This action followed from federal EPA directives that the state of Maryland do more to address the issue of stormwater pollution caused by untreated impervious surfaces. County Executive Craig lobbied against the passage of the bill, and nearly all of the county's General Assembly members voted against it.

The counties required to collect the fee are those that are subject to a Phase I Municipal Separate Storm Sewer System (MS4) permit. One part of the permit requires counties to treat 20% of impervious surfaces by 2017. In addition, counties are required to comply with the Chesapeake Bay Watershed Implementation Plan for reducing nutrient loads originating from stormwater runoff. The total cost for the county to fully meet these permit requirements by 2017 is estimated to be between \$70 million and \$90 million.

In order to comply with the state mandate and to avoid the penalties that had been threatened, the Administration introduced council legislation to establish the Stormwater Remediation Fee and the Watershed Restoration and Protection Fund in February 2013. Harford's fees were to be set at \$125 for residential and agricultural properties, and \$7 for every 500 square feet of impervious surface for commercial properties.

The bill as passed by the Council in April allowed for a significantly reduced fee of 10% of the full rate to be collected this year while a task force of citizens studied the state mandate and the fees in order to recommend a course of action for the future. Having arrived at the decision to repeal the fee in Harford County, County Executive Craig sent a letter to the task force on September 12, 2013 stating his intention and asking for the members' support in doing so.

In summing up the situation, County Executive Craig stated, "While I share the desire for a clean and healthy Bay, as most of us probably do, I question the priorities of those in Annapolis who feel that no price is too steep to pay for only a marginal improvement in Bay quality. Our businesses and taxpayers expect us as county government to act as their last line of defense against over-the-top policies from the state and federal governments whenever possible, and that is what I intend to do."

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*"Preserving Harford's past. Promoting Harford's future."*